



HEALTH ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2007
OF THE CONDITION AND AFFAIRS OF THE

Great Lakes Health Plan, Inc.

NAIC Group Code	0707	(Current Period)	0707	(Prior Period)	NAIC Company Code	95467	Employer's ID Number	38-3204052
Organized under the Laws of	Michigan				State of Domicile or Port of Entry	Michigan		
Country of Domicile	United States							
Licensed as business type:	Life, Accident & Health []		Property/Casualty []		Dental Service Corporation []			
	Vision Service Corporation []		Other []		Health Maintenance Organization [X]			
	Hospital, Medical & Dental Service or Indemnity []				Is HMO, Federally Qualified? Yes [] No [X]			
Incorporated/Organized	01/11/1994				Commenced Business	10/11/1994		
Statutory Home Office	17117 W. Nine Mile Rd., Suite 1600				Southfield, MI 48075			
	(Street and Number)				(City or Town, State and Zip Code)			
Main Administrative Office	17117 W. Nine Mile Rd, Suite 1600							
	Southfield, MI 48075				248-559-5656			
	(City or Town, State and Zip Code)				(Area Code) (Telephone Number)			
Mail Address	450 Columbus Blvd.				Hartford, CT 06103			
	(Street and Number or P.O. Box)				(City or Town, State and Zip Code)			
Primary Location of Books and Records	17117 W. Nine Mile Rd., Suite 1600							
	Southfield, MI 48075				860-702-8011			
	(City or Town, State and Zip Code)				(Area Code) (Telephone Number)			
Internet Website Address	www.glhp.com							
Statutory Statement Contact	Kevin Michael Ericson				860-702-8011			
	(Name)				(Area Code) (Telephone Number) (Extension)			
	kericson@oxhp.com				203-452-4690			
	(E-mail Address)				(FAX Number)			

OFFICERS

Name	Title	Name	Title
Chris A. Scherer	President	Eric Wexler	Secretary
Robert W. Oberrender	Treasurer		

OTHER OFFICERS

Dawn Marie Koehler	Vice President, Govenment & Public Relations	Lisa Ann Gray	Vice President, Customer Relations
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DIRECTORS OR TRUSTEES

Edgar Gonzalo Rios #	Jonathan Dinesman #	William Ralston	Stephen Thomas Swift
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State of

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County of

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Chris A. Scherer
President

Eric Wexler
Secretary

Robert W. Oberrender
Treasurer

Subscribed and sworn to before me this
day of ,

- a. Is this an original filing? Yes [X] No []
b. If no,
1. State the amendment number
2. Date filed
3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	44,031,294		44,031,294	1,021,327
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	0		0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$ (4,276,299) , Schedule E, Part 1), cash equivalents (\$0 , Schedule E, Part 2) and short-term investments (\$40,649,125 , Schedule DA).....	36,372,826		36,372,826	67,256,772
6. Contract loans, (including \$premium notes)			0	0
7. Other invested assets (Schedule BA)	0	0	0	0
8. Receivables for securities			0	0
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	80,404,120	0	80,404,120	68,278,099
11. Title plants less \$charged off (for Title Insurers only)			0	0
12. Investment income due and accrued	506,266		506,266	22,663
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection			0	0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$earned but unbilled premium).....			0	0
13.3 Accrued retrospective premium.....			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers			0	0
14.2 Funds held by or deposited with reinsured companies			0	0
14.3 Other amounts receivable under reinsurance contracts			0	0
15. Amounts receivable relating to uninsured plans			0	0
16.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0	0
16.2 Net deferred tax asset.....	2,234,387	1,812,913	421,474	460,118
17. Guaranty funds receivable or on deposit			0	0
18. Electronic data processing equipment and software			0	321
19. Furniture and equipment, including health care delivery assets (\$)	91,391	91,391	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
21. Receivables from parent, subsidiaries and affiliates			0	0
22. Health care (\$3,369,634) and other amounts receivable.....	3,767,970	398,336	3,369,634	2,306,260
23. Aggregate write-ins for other than invested assets	8,513,546	8,513,546	0	266,505
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	95,517,680	10,816,186	84,701,494	71,333,966
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
26. Total (Lines 24 and 25)	95,517,680	10,816,186	84,701,494	71,333,966
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0
2301. Intangible Asset.....	513,334	513,334	0	0
2302. State Tax Receivable.....			0	266,505
2303. Goodwill.....	8,000,212	8,000,212	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	8,513,546	8,513,546	0	266,505

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	.....38,672,401		.....38,672,401	.....26,581,927
2. Accrued medical incentive pool and bonus amounts .....	.....0		.....0	.....0
3. Unpaid claims adjustment expenses .....	.....895,247		.....895,247	.....678,500
4. Aggregate health policy reserves .....			.....0	.....0
5. Aggregate life policy reserves .....			.....0	.....0
6. Property/casualty unearned premium reserves .....			.....0	.....0
7. Aggregate health claim reserves.....			.....0	.....0
8. Premiums received in advance .....			.....0	.....0
9. General expenses due or accrued .....	.....1,354,931		.....1,354,931	.....5,292,301
10.1 Current federal and foreign income tax payable and interest thereon (including				
\$ on realized capital gains (losses))	.....887,876		.....887,876	.....0
10.2 Net deferred tax liability .....			.....0	.....0
11. Ceded reinsurance premiums payable .....			.....0	.....0
12. Amounts withheld or retained for the account of others .....			.....0	.....0
13. Remittance and items not allocated .....			.....0	.....0
14. Borrowed money (including \$ current) and interest thereon \$ (including				
\$ current) .....			.....0	.....0
15. Amounts due to parent, subsidiaries and affiliates .....	.....258,892		.....258,892	.....3,243,037
16. Payable for securities .....			.....0	.....0
17. Funds held under reinsurance treaties with (\$ authorized reinsurers and \$ unauthorized				
reinsurers) .....			.....0	.....0
18. Reinsurance in unauthorized companies .....			.....0	.....0
19. Net adjustments in assets and liabilities due to foreign exchange rates .....			.....0	.....0
20. Liability for amounts held under uninsured plans .....			.....0	.....0
21. Aggregate write-ins for other liabilities (including \$ current) .....	.....653,921	.....0	.....653,921	.....162,643
22. Total liabilities (Lines 1 to 21).....	.....42,723,268	.....0	.....42,723,268	.....35,958,408
23. Aggregate write-ins for special surplus funds	XXX	XXX	.....0	.....0
24. Common capital stock	XXX	XXX		.....0
25. Preferred capital stock	XXX	XXX		.....0
26. Gross paid in and contributed surplus	XXX	XXX	.....35,763,489	.....35,763,489
27. Surplus notes	XXX	XXX		.....0
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	.....0	.....0
29. Unassigned funds (surplus)	XXX	XXX	.....6,214,737	.....(387,931)
30. Less treasury stock, at cost:				
30.1 shares common (value included in Line 24				
\$)	XXX	XXX		.....0
30.2 shares preferred (value included in Line 25				
\$)	XXX	XXX		.....0
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	.....41,978,226	.....35,375,558
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	84,701,494	71,333,966
DETAILS OF WRITE-INS				
2101. Escheat Funds.....	.....162,643		.....162,643	.....162,643
2102. QAAP Tax.....	.....491,278		.....491,278	.....0
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page .....	.....0	.....0	.....0	.....0
2199. Totals (Lines 2101 through 2103 plus 2198) (Line 21 above)	653,921	0	653,921	162,643
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	.....0	.....0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0
2801.	XXX	XXX		
2802.	XXX	XXX		
2803.	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	.....0	.....0
2899. Totals (Lines 2801 through 2803 plus 2898) (Line 28 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	1,852,913	1,447,116
2. Net premium income (including \$0 non-health premium income).....	XXX	440,431,912	278,748,824
3. Change in unearned premium reserves and reserve for rate credits	XXX		0
4. Fee-for-service (net of \$ medical expenses)	XXX		0
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	(26,466,900)	(16,804,844)
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	413,965,012	261,943,980
Hospital and Medical:			
9. Hospital/medical benefits		285,052,898	164,285,245
10. Other professional services		11,586,226	9,980,642
11. Outside referrals			0
12. Emergency room and out-of-area		17,137,738	13,993,922
13. Prescription drugs		53,948,795	41,681,414
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....			0
16. Subtotal (Lines 9 to 15)	0	367,725,656	229,941,223
Less:			
17. Net reinsurance recoveries		444,527	482,944
18. Total hospital and medical (Lines 16 minus 17)	0	367,281,129	229,458,279
19. Non-health claims (net).....			0
20. Claims adjustment expenses, including \$4,555,105 cost containment expenses.....	11,855,722	5,927,861	5,582,735
21. General administrative expenses.....	29,480,261	35,408,122	27,473,782
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		0	0
23. Total underwriting deductions (Lines 18 through 22)	41,335,983	408,617,112	262,514,796
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	5,347,900	(570,815)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	3,637,611	3,637,611	2,976,262
26. Net realized capital gains (losses) less capital gains tax of \$0 .....7 .....7			0
27. Net investment gains (losses) (Lines 25 plus 26)	3,637,618	3,637,618	2,976,262
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			0
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	8,985,518	2,405,447
31. Federal and foreign income taxes incurred	XXX	2,035,542	1,014,157
32. Net income (loss) (Lines 30 minus 31)	XXX	6,949,976	1,391,290
DETAILS OF WRITE-INS			
0601. QAAP tax.....	XXX	(26,466,900)	(16,804,844)
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	(26,466,900)	(16,804,844)
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT:		
33. Capital and surplus prior-reporting period	35,375,558	32,198,124
34. Net income or (loss) from Line 32	6,949,976	1,391,290
35. Change in valuation basis of aggregate policy and claim reserves		0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$		0
37. Change in net unrealized foreign exchange capital gain or (loss)		0
38. Change in net deferred income tax	43,960	(837,107)
39. Change in nonadmitted assets	1,336,400	(1,376,749)
40. Change in unauthorized reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles	(1,727,668)	0
44. Capital Changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend)		0
44.3 Transferred to surplus		0
45. Surplus adjustments:		
45.1 Paid in	0	4,000,000
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital		0
46. Dividends to stockholders		0
47. Aggregate write-ins for gains or (losses) in surplus	0	0
48. Net change in capital & surplus (Lines 34 to 47)	6,602,668	3,177,434
49. Capital and surplus end of reporting period (Line 33 plus 48)	41,978,226	35,375,558
DETAILS OF WRITE-INS		
4701. Prior Year Audit Adjustements.....		0
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance.....	412,755,295	279,116,615
2. Net investment income	3,268,317	2,960,363
3. Miscellaneous income	0	(16,804,844)
4. Total (Lines 1 through 3)	416,023,612	265,272,134
5. Benefit and loss related payments	355,190,655	221,997,196
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	44,153,112	26,080,221
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	1,455,382	(990,711)
10. Total (Lines 5 through 9)	400,799,149	247,086,706
11. Net cash from operations (Line 4 minus Line 10)	15,224,463	18,185,429
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	555,652	0
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(7)	0
12.7 Miscellaneous proceeds	14	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	555,659	0
13. Cost of investments acquired (long-term only):		
13.1 Bonds	43,679,916	1,024,844
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	43,679,916	1,024,844
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(43,124,257)	(1,024,844)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	4,000,000
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied).....	(2,984,145)	(793,592)
17. Net cash from financing and miscellaneous sources (Line 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6)	(2,984,145)	3,206,408
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	(30,883,939)	20,366,993
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	67,256,772	46,889,779
19.2 End of year (Line 18 plus Line 19.1)	36,372,833	67,256,772

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE Great Lakes Health Plan, Inc.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	440,431,912	0	0	0	0	0	0	440,431,912	0	0
2. Change in unearned premium reserves and reserve for rate credit	0									
3. Fee-for-service (net of \$ medical expenses)	0									XXX
4. Risk revenue.....	0									XXX
5. Aggregate write-ins for other health care related revenues.....	(26,466,900)	0	0	0	0	0	0	(26,466,900)	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6).....	413,965,012	0	0	0	0	0	0	413,965,012	0	0
8. Hospital/medical/ benefits	285,052,898							285,052,898		XXX
9. Other professional services	11,586,226							11,586,226		XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	17,137,738							17,137,738		XXX
12. Prescription Drugs	53,948,795							53,948,795		XXX
13. Aggregate write-ins for other hospital and medical.....	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts.....	0									XXX
15. Subtotal (Lines 8 to 14)	367,725,656	0	0	0	0	0	0	367,725,656	0	XXX
16. Net reinsurance recoveries	444,527							444,527		XXX
17. Total hospital and medical (Lines 15 minus 16)	367,281,129	0	0	0	0	0	0	367,281,129	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$ 4,555,105 cost containment expenses.....	5,927,861							5,927,861		
20. General administrative expenses	35,408,122							35,408,122		
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserves for life contracts.....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	408,617,112	0	0	0	0	0	0	408,617,112	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	5,347,900	0	0	0	0	0	0	5,347,900	0	0
DETAILS OF WRITE-INS										
0501. QAAP Tax.....	(26,466,900)							(26,466,900)		XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	(26,466,900)	0	0	0	0	0	0	(26,466,900)	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page.....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical) .....				.0
2. Medicare Supplement .....				.0
3. Dental Only.....				.0
4. Vision Only.....				.0
5. Federal Employees Health Benefits Plan .....				.0
6. Title XVIII - Medicare .....				.0
7. Title XIX - Medicaid.....	.441,633,977		1,202,065	.440,431,912
8. Other health.....				.0
9. Health subtotal (Lines 1 through 8) .....	.441,633,977	.0	1,202,065	.440,431,912
10. Life .....				.0
11. Property/casualty.....				.0
12. Totals (Lines 9 to 11)	441,633,977	0	1,202,065	440,431,912

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2007 OF THE Great Lakes Health Plan, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - Claims Incurred During the Year

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	355,635,182							355,635,182		
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	444,527							444,527		
1.4 Net	355,190,655	0	0	0	0	0	0	355,190,655	0	0
2. Paid medical incentive pools and bonuses	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	38,672,401	0	0	0	0	0	0	38,672,401	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	38,672,401	0	0	0	0	0	0	38,672,401	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	0									
6. Net healthcare receivables (a)	0									
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	26,581,927	0	0	0	0	0	0	26,581,927	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
8.4 Net	26,581,927	0	0	0	0	0	0	26,581,927	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	0	0	0	0	0	0	0	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0
12. Incurred Benefits:										
12.1 Direct	367,725,656	0	0	0	0	0	0	367,725,656	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	444,527	0	0	0	0	0	0	444,527	0	0
12.4 Net	367,281,129	0	0	0	0	0	0	367,281,129	0	0
13. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0

(a) Excludes \$ loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - Claims Liability End of Current Year

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1. Direct	10,814,110							10,814,110		
1.2. Reinsurance assumed	0									
1.3. Reinsurance ceded	0									
1.4. Net	10,814,110	0	0	0	0	0	0	10,814,110	0	0
2. Incurred but Unreported:										
2.1. Direct	27,858,291							27,858,291		
2.2. Reinsurance assumed	0									
2.3. Reinsurance ceded	0									
2.4. Net	27,858,291	0	0	0	0	0	0	27,858,291	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1. Direct	0									
3.2. Reinsurance assumed	0									
3.3. Reinsurance ceded	0									
3.4. Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1. Direct	38,672,401	0	0	0	0	0	0	38,672,401	0	0
4.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3. Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4. Net	38,672,401	0	0	0	0	0	0	38,672,401	0	0

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability Dec. 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)					0	0
2. Medicare Supplement					0	0
3. Dental Only.....					0	0
4. Vision Only.....					0	0
5. Federal Employees Health Benefits Plan Premiums					0	0
6. Title XVIII - Medicare					0	0
7. Title XIX - Medicaid.....	21,153,875	334,036,779	476,279	38,196,122	21,630,155	26,581,927
8. Other health					0	0
9. Health subtotal (Lines 1 to 8).....	21,153,875	334,036,779	476,279	38,196,122	21,630,155	26,581,927
10. Healthcare receivables (a).....					0	
11. Other non-health.....					0	0
12. Medical incentive pools and bonus amounts					0	0
13. Totals (Lines 9 - 10 + 11 + 12)	21,153,875	334,036,779	476,279	38,196,122	21,630,155	26,581,927

(a) Excludes \$loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2003	2 2004	3 2005	4 2006	5 2007
1. Prior	325,557	325,488	325,488	325,488	325,488
2. 2003	115,437	132,431	132,419	132,373	132,373
3. 2004	XXX	99,089	114,763	114,687	114,557
4. 2005	XXX	XXX	184,345	199,726	199,337
5. 2006	XXX	XXX	XXX	206,739	224,964
6. 2007	XXX	XXX	XXX	XXX	270,129

Section B – Incurred Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2003	2 2004	3 2005	4 2006	5 2007
1. Prior	101,618	101,359	101,359	101,359	101,359
2. 2003	117,342	132,431	132,378	132,332	132,332
3. 2004	XXX	119,815	119,815	199,726	199,596
4. 2005	XXX	XXX	184,345	199,726	199,337
5. 2006	XXX	XXX	XXX	207,215	225,440
6. 2007	XXX	XXX	XXX	XXX	299,097

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Title XIX Medicaid

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 Col. (3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 Col. (5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. 2003.....	179,727	132,373	4,129	3.1	136,502	75.9			136,502	75.9
2. 2004.....	197,998	114,557	3,861	3.4	118,418	59.8			118,418	59.8
3. 2005.....	235,741	199,337	5,037	2.5	204,374	86.7			204,374	86.7
4. 2006.....	278,749	224,964	5,304	2.4	230,268	82.6	0		230,268	82.6
5. 2007	441,634	270,129	5,928	2.2	276,057	62.5	38,672	895	315,624	71.5

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2003	2 2004	3 2005	4 2006	5 2007
1. Prior	325,557	325,488	325,488	325,488	325,488
2. 2003	115,437	132,431	132,419	132,373	132,373
3. 2004	XXX	99,089	114,763	114,687	114,557
4. 2005	XXX	XXX	184,345	199,726	199,337
5. 2006	XXX	XXX	XXX	206,739	224,964
6. 2007	XXX	XXX	XXX	XXX	270,129

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2003	2 2004	3 2005	4 2006	5 2007
1. Prior	101,618	101,359	101,359	101,359	101,359
2. 2003	117,342	132,431	132,378	132,332	132,332
3. 2004	XXX	119,815	119,815	199,726	199,596
4. 2005	XXX	XXX	184,345	199,726	199,337
5. 2006	XXX	XXX	XXX	207,215	225,440
6. 2007	XXX	XXX	XXX	XXX	299,097

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Grand Total

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 Col. (3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 Col. (5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. 2003	179,727	132,373	4,129	3.1	136,502	75.9	.0	.0	136,502	75.9
2. 2004	197,998	114,557	3,861	3.4	118,418	59.8	.0	.0	118,418	59.8
3. 2005	235,741	199,337	5,037	2.5	204,374	86.7	.0	.0	204,374	86.7
4. 2006	278,749	224,964	5,304	2.4	230,268	82.6	.0	.0	230,268	82.6
5. 2007	441,634	270,129	5,928	2.2	276,057	62.5	38,672	895	315,624	71.5

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves .....	.0								
2. Additional policy reserves (a) .....	.0								
3. Reserve for future contingent benefits .....	.0								
4. Reserve for rate credits or experience rating refunds (including \$ for investment income) .....	.0								
5. Aggregate write-ins for other policy reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Totals (Gross) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
7. Reinsurance ceded .....	.0								
8. Totals (Net) (Page 3, Line 4) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
9. Present value of amounts not yet due on claims .....	.0								
10. Reserve for future contingent benefits .....	.0								
11. Aggregate write-ins for other claim reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
12. Totals (Gross) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
13. Reinsurance ceded .....	.0								
14. Totals (Net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0

(a) Includes \$ premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$for occupancy of own building).....	198,778	78,718	960,132		1,237,628
2. Salaries, wages and other benefits.....	3,319,910	845,629	14,133,357		18,298,895
3. Commissions (less \$ceded plus \$assumed.....					0
4. Legal fees and expenses.....			(5,129)		(5,129)
5. Certifications and accreditation fees.....	0		0		0
6. Auditing, actuarial and other consulting services.....	355,512		2,010,992		2,366,504
7. Traveling expenses.....	36,848		268,554		305,402
8. Marketing and advertising.....	258,640	294	1,485,476		1,744,410
9. Postage, express and telephone.....	19,649	6,452	1,382,286		1,408,386
10. Printing and office supplies.....	10,111	7,634	(8,644,588)		(8,626,843)
11. Occupancy, depreciation and amortization.....	2,213		(679,919)		(677,706)
12. Equipment.....	5,522	1,335	2,261,640		2,268,497
13. Cost or depreciation of EDP equipment and software.....			469,327		469,327
14. Outsourced services including EDP, claims, and other services.....	69,529	368,291	2,261,243		2,699,063
15. Boards, bureaus and association fees.....	8,876		930		9,805
16. Insurance, except on real estate.....	0		331,348		331,348
17. Collection and bank service charges.....			352,408		352,408
18. Group service and administration fees.....	6,009		17,269,233		17,275,243
19. Reimbursements by uninsured plans.....					0
20. Reimbursements from fiscal intermediaries.....					0
21. Real estate expenses.....					0
22. Real estate taxes.....					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....			250,136		250,136
23.2 State premium taxes.....					0
23.3 Regulatory authority licenses and fees.....	13,631		35,546		49,178
23.4 Payroll taxes.....	250,027	64,404	1,048,554		1,362,985
23.5 Other (excluding federal income and real estate taxes).....					0
24. Investment expenses not included elsewhere.....	(150)		(151)	18,793	18,492
25. Aggregate write-ins for expenses.....	0	0	216,747	0	216,747
26. Total expenses incurred (Lines 1 to 25).....	4,555,105	1,372,756	35,408,122	18,793	(a).....41,354,776
27. Less expenses unpaid December 31, current year.....		895,247	1,354,930		2,250,177
28. Add expenses unpaid December 31, prior year.....	0	678,500	5,292,301	0	5,970,801
29. Amounts receivable relating to uninsured plans, prior year.....	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year.....					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	4,555,105	1,156,009	39,345,493	18,793	45,075,400
DETAIL OF WRITE-INS					
2501. Loss Adjustment Expenses.....		0	216,747		216,747
2502.					
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0	0
2599. Totals (Line 2501 through 2503 plus 2598)(Line 25 above)	0	0	216,747	0	216,747

(a) Includes management fees of \$to affiliates and \$to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a).....64,312	.....66,700
1.1	Bonds exempt from U.S. tax	(a).....	.....
1.2	Other bonds (unaffiliated)	(a).....452,852	.....934,067
1.3	Bonds of affiliates	(a).....	.....
2.1	Preferred stocks (unaffiliated)	(b).....	.....
2.11	Preferred stocks of affiliates	(b).....	.....
2.2	Common stocks (unaffiliated) .....	.....0	.....
2.21	Common stocks of affiliates .....	.....0	.....
3.	Mortgage loans	(c).....	.....
4.	Real estate	(d).....	.....
5.	Contract loans.....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e).....2,655,637	.....2,655,637
7.	Derivative instruments	(f).....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....0	.....0
10.	Total gross investment income	3,172,801	.....3,656,404
11.	Investment expenses		(g).....0
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g).....18,793
13.	Interest expense		(h).....
14.	Depreciation on real estate and other invested assets		(i).....
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total (Lines 11 through 15) .....		.....18,793
17.	Net Investment Income - (Line 10 minus Line 16)		3,637,611
DETAILS OF WRITE-INS			
0901.	.....	.....	.....
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999.	Totals (Lines 0901 through 0903) plus 0998 (Line 9, above)	0	0
1501.	.....	
1502.	.....	
1503.	.....	
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....0
1599.	Total (Lines 1501 through 1503 plus 1598) (Line 15, above)		0

(a) Includes \$9,208 accrual of discount less \$123,505 amortization of premium and less \$215,825 paid for accrued interest on purchases.
(b) Includes \$ accrual of discount less \$ amortization of premium and less \$0 paid for accrued dividends on purchases.
(c) Includes \$0 accrual of discount less \$0 amortization of premium and less \$ paid for accrued interest on purchases.
(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
(e) Includes \$313,739 accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
(f) Includes \$ accrual of discount less \$ amortization of premium.
(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes \$ interest on surplus notes and \$ interest on capital notes.
(i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5.
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....		.....0		
1.1	Bonds exempt from U.S. tax .....		.....0		
1.2	Other bonds (unaffiliated) .....		.....0		
1.3	Bonds of affiliates .....	.....0	.....0	.....0	.....0
2.1	Preferred stocks (unaffiliated) .....	.....0	.....0	.....0	.....0
2.11	Preferred stocks of affiliates .....	.....0	.....0	.....0	.....0
2.2	Common stocks (unaffiliated) .....	.....0	.....0	.....0	.....0
2.21	Common stocks of affiliates .....	.....0	.....0	.....0	.....0
3.	Mortgage loans .....		.....0		.....0
4.	Real estate .....	.....0	.....0		.....0
5.	Contract loans .....		.....0		
6.	Cash, cash equivalents and short-term investments .....	.....14	.....14		
7.	Derivative instruments .....		.....0		
8.	Other invested assets .....		.....0		.....0
9.	Aggregate write-ins for capital gains (losses) .....	.....0	.....0	.....0	.....0
10.	Total capital gains (losses)	14	0	0	0
DETAILS OF WRITE-INS					
0901.	.....			
0902.	.....			
0903.	.....			
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0	.....0	.....0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash, (Schedule-E, Part 1), cash equivalents (Schedule-E, Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans	0	0	0
7. Other invested assets (Schedule BA)	0	0	0
8. Receivables for securities	0	0	0
9. Aggregate write-ins for invested assets	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	0	0	0
11. Title plants (for Title insurers only).....	0	0	0
12. Investment income due and accrued	0	0	0
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection	0	0	0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
13.3 Accrued retrospective premium.....	0	0	0
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers	0	0	0
14.2 Funds held by or deposited with reinsured companies	0	0	0
14.3 Other amounts receivable under reinsurance contracts	0	0	0
15. Amounts receivable relating to uninsured plans	0	0	0
16.1 Current federal and foreign income tax recoverable and interest thereon	0	1,419,957	1,419,957
16.2 Net deferred tax asset.....	1,812,913	1,730,309	(82,604)
17. Guaranty funds receivable or on deposit	0	0	0
18. Electronic data processing equipment and software.....	0	0	0
19. Furniture and equipment, including health care delivery assets.....	91,391	235,890	144,499
20. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
21. Receivables from parent, subsidiaries and affiliates	0	0	0
22. Health care and other amounts receivable.....	398,336	251,993	(146,343)
23. Aggregate write-ins for other than invested assets	8,513,546	8,514,437	891
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	10,816,186	12,152,586	1,336,400
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
26. Total (Lines 24 and 25)	10,816,186	12,152,586	1,336,400
DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	0	0	0
2301. Intangible Asset.....	513,334	3,764,043	3,250,709
2302.	0	0	0
2303. Goodwill.....	8,000,212	4,750,394	(3,249,818)
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	8,513,546	8,514,437	891

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

	Source of Enrollment	Total Members at End of					
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	6 Current Year Member Months
1.	Health Maintenance Organizations.....	142,619	149,268	153,523	157,987	160,502	1,852,913
2.	Provider Service Organizations.....	.0					
3.	Preferred Provider Organizations.....	.0					
4.	Point of Service.....	.0					
5.	Indemnity Only.....	.0					
6.	Aggregate write-ins for other lines of business	0	0	0	0	0	0
7.	Total	142,619	149,268	153,523	157,987	160,502	1,852,913
DETAILS OF WRITE-INS							
0601.	.....					
0602.	.....					
0603.	.....					
0698.	Summary of remaining write-ins for Line 6 from overflow page	.0	.0	.0	.0	.0	.0
0699.	Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

(1) Significant Accounting Policies

A. Accounting Practices – The financial statements of Great Lakes Health Plan, Inc. (“GLHP” or the “Company”) have been prepared in conformity with the accounting practices prescribed or permitted by the Office of Financial and Insurance Services of the State of Michigan Department (“OFIS”).

OFIS recognizes only statutory accounting practices prescribed or permitted by the State of Michigan for determining and reporting the financial condition and results of operations of a Health Maintenance Organization, for determining solvency under the Michigan Insurance Code. The National Association of Insurance Commissioner’s (NAIC) Accounting Practices and Procedures Manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Michigan. For 2007, the state has adopted a prescribed accounting practice to not admit all loans or advances to hospitals and providers. In NAIC SAP, loans or advances to hospitals and providers are admitted up to the amount of the payable to the provider for reported claims to the extent that they meet setoff conditions.

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Michigan is shown below:

	December 31, 2007	December 31, 2006
Net Income, Michigan state basis	\$6,949,976	\$1,391,290
State Prescribed or Permitted Practices (Income):	-	-
Net Income, NAIC SAP	<u>\$6,949,976</u>	<u>\$1,391,290</u>
Statutory Surplus, Michigan State basis	\$41,978,226	\$35,375,558
State Prescribed or Permitted Practices (Surplus):		
Advances to Provider	-	91,000
Furniture and Equipment Transitional admission	-	-
Statutory Surplus, NAIC SAP	<u>\$41,978,226</u>	<u>\$35,466,558</u>

B. Use of Estimates in the Preparation of the Financial Statements – The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Cash and Cash Equivalents—For the purpose of the statements of cash flows, cash equivalents represent other short-term investments with original maturities of less than one year.

Property and Equipment—Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method based on the estimated lives of the assets and includes amortization of equipment under capital leases. The estimated useful lives of the assets range from three to ten years for computer equipment and furniture.

Claims Unpaid—Health care costs are accrued in the period services are provided to the enrolled members based in part on estimates, including an accrual for medical services provided but not yet reported. Such estimates are based on historical payment patterns using actuarial techniques and are regularly reviewed and updated. Differences in estimates resulting there from are reflected in current operations.

Premiums—Qualified health plan contracts are entered annually, subject to cancellation by the State of Michigan, Department of Community Health, or the Company upon 90 days written notice on the basis of, and subject to, cause as reflected in the respective contracts. Premiums are due monthly and are recognized as revenue during the period in which the Company is obligated to provide benefits to members.

Statutory Reserves—As a condition of licensure with the State of Michigan, the Company is required to maintain a minimum deposit of \$1,000,000 in a segregated account. These funds can only be used by the Company at the direction of the Commissioner. The deposited amounts are stated at fair value and consist of cash and money market funds.

Provider Reimbursement Arrangements—The Company reimburses its providers based on contractual agreements that vary in accordance with the terms and conditions of each arrangement. The three most common arrangements are: capitated (fixed) rate paid on a per member per month (“PMPM”) basis; fee-for-service; and per-diem rate. The Company’s various providers are generally paid as follows:

- a. Capitated rate:
 - Primary care providers
 - Pharmacy
 - Laboratory fees

NOTES TO FINANCIAL STATEMENTS

- Transportation
- b. Fee-for-service:
- All physician specialists
 - Primary care providers
 - Other medical disciplines (e.g., dentistry, chiropractor)
 - Ancillary services
- c. Per-diem rate and percent of charges:
- Inpatient hospital and emergency (facility)

(2) Accounting Changes and Corrections of Errors

During 2007, on overstatement of prior year income tax recoverable of approximately \$1.7 million was written off to capital and surplus. There were no material changes in accounting principles or correction of errors in 2006;

(3) Business Combinations and Goodwill

A.-B.

On June 1, 1999, the Company purchased for \$2,880,900 (consisting of cash, short-term debt totaling \$746,000 and long-term debt totaling \$659,900) the assets of the Thumb Area Health Plan (“TAHP”), increasing its Medicaid members by 10,335. In connection with the purchase, the Company recorded a covenant not to compete of \$450,000 and goodwill of \$2,430,900.

On February 26, 2004, AmeriChoice Corporation purchased all of the outstanding stock of the Company from HealthCor, Inc. for approximately \$28 million. AmeriChoice is a subsidiary of UnitedHealth Group Incorporated.

On May 1, 2006, the Company entered into an asset purchase agreement with Physicians Health Plan of Southwest Michigan on May 1, 2006. As a result of the agreement, the Company recorded an intangible asset of \$4,000,000 to be amortized over five years. The intangible asset is not admitted. The Company assumed approximately 28,000 Medicaid members who were transferred to the plan on September 1, 2006.

- C. The Company did not enter into any assumption reinsurance agreements during 2007 or 2006.
D. The Company did not recognize an impairment loss relating to a business combination during 2007 or 2006.

(4) Discontinued Operations

The Company did not discontinue any operations during 2007 or 2006.

(5) Investments

- A. The Company had no investments in mortgage loans in 2007 or 2006.
B. The Company had no restructured debt in 2007 or 2006.
C. The Company had no reverse mortgages in 2007 or 2006.
D. Loan-Backed Securities
i. The Company does not own any securities acquired prior to January 1, 1994.
ii. Prepayment assumptions for loan-backed securities were provided by unaffiliated vendors.
iii. The Company has not changed its amortization methodology during 2007 or 2006.
E. The Company has no repurchase agreements in 2007 or 2006.
F. The Company does not own any real estate.
G. The Company had no investments in low-income housing tax credits in 2007 or 2006.

(6) Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.
B. The Company did not recognize any impairment write down for investments in Joint Ventures, Partnerships, or Limited Liability Companies during the statement periods.

(7) Investment Income

The Company applied the provisions of SSAP No. 34, Investment Income Due and Accrued and did not exclude (nonadmit) any due and accrued investment income at December 31, 2007 or 2006.

(8) Derivative Investments

The Company did not hold or issue any derivative financial instruments during 2007 or 2006.

(9) Income Taxes

A. Components of Deferred Tax Assets (DTAs) and Deferred Tax Liabilities (DTLs)

Description	2007	2006
Gross deferred tax assets	3,209,940	2,207,993
Gross deferred tax liabilities	(975,553)	(17,566)
Net deferred tax asset	2,234,388	2,190,427
Nonadmitted deferred tax assets	(1,812,913)	(1,730,309)
Admitted deferred tax asset	421,475	460,118
Increase (decrease) in nonadmitted deferred tax assets	82,604	N/A

B. Unrecognized DTLs

Not applicable

NOTES TO FINANCIAL STATEMENTS

C. Current Tax and Change in Deferred Tax

Current income taxes incurred consist of the following major components:

Description	2007	2006
Current income tax expense	2,590,211	1,014,157
Tax on capital gains/(losses)	5	0
Prior year underaccrual/(overaccrual)	(554,671)	0
Federal income taxes incurred	2,035,546	1,014,157

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

DTAs Resulting From Book/Tax Differences In	December 31, 2007	December 31, 2006	Change
Unpaid losses and LAE	204,707	134,033	70,674
Allowance for Bad Debt	77,350	0	77,350
Investments	116	0	116
Fixed assets	77,152	67,569	9,583
Amortizable Intangibles	0	1,867,444	(1,867,444)
Nonadmitted assets	2,850,615	0	2,850,615
Other	0	138,948	(138,948)
Gross DTAs	3,209,940	2,207,993	1,001,947
Nonadmitted DTAs	(1,812,913)	(1,730,309)	(82,604)
DTLs Resulting From Book/Tax Differences In	December 31, 2007	December 31, 2006	Change
Bond market discount	(3,231)	0	(3,231)
Amortizable Intangibles	(972,321)	0	(972,321)
Other	0	(17,566)	17,566
Gross DTLs	(975,553)	(17,566)	(957,987)

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

	December 31, 2007	December 31, 2006	Change
Total deferred tax assets	3,209,940	2,207,993	1,001,947
Total deferred tax liabilities	(975,553)	(17,566)	(957,987)
Net deferred tax asset	2,234,388	2,190,427	43,960
Tax effect of unrealized [(gains)/losses]			0
Change in net deferred income tax [(charge)/benefit]			43,960

D. Reconciliation of Federal income Tax Rate to Actual Effective Rate

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

Description	Amount	Tax Effect	Effective Tax Rate
Income Before Taxes	8,126,867	2,844,403	35.00%
Tax-Exempt Interest	(479,088)	(167,681)	-2.06%
Proration	71,863	25,152	0.31%
Change in Non-admitted Assets	621,816	217,636	2.68%
Prior Year True-Up	(978,187)	(342,365)	-4.21%
Audit Adjustment - 2003 - 2005	(752,403)	(263,341)	-3.24%
Prior Year True-Up - Deferred Taxes	(920,622)	(322,218)	-3.96%
Total	5,690,246	1,991,586	24.51%

NOTES TO FINANCIAL STATEMENTS

Federal income taxed incurred [expense/(benefit)]	2,035,541	25.05%
Tax on capital gains/(losses)	5	0.00%
Change in net deferred income tax [charge/(benefit)]	(43,960)	-0.54%
Total statutory income taxes	1,991,586	24.51%

- E. At December 31, 2007, the Company had net operating losses expiring through the year 2027 of: \$0
At December 31, 2007, the Company had an AMT credit, which does not expire, in the amount of: \$0

The following is income tax expense for 2007 and 2006 that is available for recoupment in the event of future net losses:

Year	Amount
2007	2,590,216
2006	1,225,382

- F. The Company's federal income tax return is consolidated with the following entities:
United HealthGroup, Inc. and Subsidiaries.

The method of allocation among companies is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate return basis. with a current credit for net losses.

(10) **Information Concerning Parent, Subsidiaries and Affiliates**

A. – C.
The Company is a wholly owned subsidiary of AmeriChoice Corporation. AmeriChoice Corporation is a majority owned subsidiary of United Health Group Inc. The Company has no subsidiaries.

Effective September 31, 2002, AmeriChoice was acquired by UHG. UHG issued 5.3 million shares of their common stock with a fair value of approximately \$480 million in exchange for 93.5% of the outstanding AmeriChoice common stock. UHG also issued vested stock options with a fair value of approximately \$15 million in exchange for outstanding options held by AmeriChoice employees and paid cash of approximately \$82 million.

Schedule Y Part 2 summarizes the net flow of funds among affiliates for various types of transactions between affiliates. Regulatory prior approval and/or prior notification have been satisfied for any transaction requiring such action. Most transactions are settled promptly in cash or its equivalent, and most are to settle normal business receipts and disbursements. In all instances, the value of the assets received by one party is the same as the value of the assets disposed of by the other party.

The Company received a \$4,000,000 capital contribution from its parent in September 2006 for the purchase of Physicians Health Plan of Southwest Michigan assets (See Note 3).

- D.** At December 31, 2007 and December 31, 2006, the Company reported \$0 and \$0, as net admitted amounts due from related parties on line 21 of the Asset page and \$258,892and \$3,243,037 as amounts due to related parties on line 15 of the Liabilities page respectively.
E. There were no guarantees or undertakings for the benefit of an affiliate that resulted in a material contingent exposure for the Company or any affiliated insurer's assets or liabilities.
F. Significant management or service contracts and cost sharing arrangements, involving the Company or any affiliate, other than cost allocation arrangements based upon generally accepted accounting principles:

The Company's affiliate, United HealthCare Services, Inc. provides the Company with management assistance services. In all instances, the fees/costs of such services are reasonable and consistent with those of a third party provider. For 2007and 2006, the costs related to management assistance services were \$41,043,687 and \$31,383,177, respectively.

- G.** The Company does not have any relationships whereby the Company and one or more other enterprises are under common ownership or control and the existence of that control could result in operating results or financial positions of the Company being significantly different from those that would have been obtained if the enterprises were autonomous.
H. The Company does not have any ownership in an upstream intermediate entity or ultimate parent, either directly or indirectly, via a downstream subsidiary, controlled, or affiliated entity.
I. No investment in an SCA entity exceeded 10% of the admitted assets of the Company.
J. The Company did not recognize any impairment write down for its investments in SCA's during 2007 or 2006.
K. The Company does not have any investments in foreign insurance subsidiaries.

(11) **Debt**

The Company did not have any outstanding debt at December 31, 2007 or 2006.

(12) **Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

- A.** The Company did not offer defined benefit plans as of December 31, 2007 or 2006.
B. The Company did not offer defined contribution plans as of December 31, 2007 or 2006.

NOTES TO FINANCIAL STATEMENTS

- C. The Company did not offer multiemployer plans as of December 31, 2007 or 2006.
- D. The Company did not offer consolidated holding company plans as of December 31, 2007 or 2006.
- E. The Company did not offer postemployment benefits and compensated absences as of December 31, 2007 or 2006.

(13) Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

- (1) No change.
- (2) The Company has no preferred stock outstanding.
- (3) Without prior approval of its domiciliary commissioner, dividends to shareholders may be paid only from statutory earnings and capital and surplus. "Extraordinary" dividends to shareholders must be approved by OFIS.
- (4) Within the limitation of (3) above, there are no restrictions placed on the portion of Company earnings that may be paid as ordinary dividends to shareholders.
- (5) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- (6) Not applicable.
- (7) There were no amounts of stock held by the Company for special purposes.
- (8) There were no special surplus funds.
- (9) The portion of unassigned funds (surplus) represented or (reduced) by cumulative unrealized gains and losses were \$0 and \$0 at December 31, 2007 and 2006, respectively.
- (10) The Company did not have any surplus debentures or similar obligations issued or outstanding as of December 31, 2007 or 2006.
- (11) The Company has not had any restatements due to prior quasi reorganizations.
- (12) The Company has not had any quasi-reorganization in the prior 10 years.

(14) Contingencies

- A. The Company does not have any commitments or contingent commitments to a SCA entity, joint venture, partnership, or other limited liability company as of December 31, 2007 or 2006.
- B. The Company has not been informed of, and does not anticipate, any assessments that could have a material financial effect on the statement as of December 31, 2007 or 2006.
- C. No gain contingencies as defined in SSAP No. 3, Liabilities, Contingencies and Impairments of Assets, have been recognized during 2007 or 2006.
- D. Aside from litigation with respect to claims arising with regard to insurance coverages that are taken into account in establishing benefit reserves, the Company is a defendant or co-defendant in certain other actions. Although the outcomes of any such legal actions cannot be predicted with certainty, in the opinion of management the resolution of these actions, after consideration of the provisions made in the accompanying financial statements, will not have a material adverse effect upon the financial position or results of operations of the Company.

(15) Leases

No change.

Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

The Company does not have any financial instruments with off-balance sheet risk or concentration of credit risk.

Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

- A. The Company did not have any transfers of receivables reported as sales as of December 31, 2007 or 2006.
- B. The Company did not have any transfer and servicing of financial assets as of December 31, 2007 or 2006.
- C. No transactions involving wash sales or securities with a NAIC designation of 3 or below or unrated securities occurred during the year ended December 31, 2007 or 2006.

Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

A. ASO Plans

The Company was not involved in any Administrative Services Only (ASO) uninsured plans during 2007.

B. ASC Plans

The Company was not involved in any Administrative Services Contract (ASC) uninsured plans during 2007.

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts

The Company was not involved in any Medicare or other similarly structured cost based reimbursement contracts during 2007.

Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

The Company had no direct premiums written through managing general agents or third party administrators during 2007 or 2006.

September 11 Events

Not Applicable

Other Items

- A. Extraordinary Items – The Company did not have any extraordinary items or transactions during 2007 or 2006.
- B. Troubled Debt Restructuring – The Company did not have any restructured troubled debt during 2007 or 2006.
- C. Other Disclosures – The Company did not have any unusual items during 2007 or 2006.
- D. Uncollectible Premiums – At December 31, 2006 the Company had admitted assets of \$0 in accounts receivable for A&H premiums and uninsured plans.
- E. Business Interruption Insurance Recoveries – The Company did not have any recoveries to report as of December 31, 2007 or 2006.
- F. Hybrid Securities – The Company had no investments in hybrid securities in 2007 or 2006.
- G. State Transferable Tax Credits – The Company had no state transferable tax credits at December 31, 2007 or 2006.
- H. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) – The Company did not offer postretirement benefits as of December 31, 2007 or 2006.
- I. Subprime Mortgage Related Risk Exposure
 - The UnitedHealth Group investment policy limits investments in Asset Backed Securities, which includes the subprime issuers. Further, the policy limits investments in private-issuer mortgage securities to 10% of the portfolio, which also includes subprime issuers. UnitedHealth Group exposure to unrealized losses on subprime issuers is due only to changes in market prices. There are no realized losses due to not receiving anticipated cashflows. UnitedHealth Group holdings have maintained AAA credit ratings.
 - The Company does not have any direct exposure through investments in subprime mortgage loans.

NOTES TO FINANCIAL STATEMENTS

- The Company does not have any direct exposure through other investments.
- The Company does not have any underwriting exposure.

Events Subsequent

Management is not aware of any events occurring between the balance sheet date and the date this statement was attested to that would comprise a Type I or Type II subsequent event or have a material effect on the financial condition of the Company.

Reinsurance

A. Ceded Reinsurance Report

Section I – General Interrogatories

1. Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company?
Yes () No (X)
2. Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other persons not primarily engaged in the insurance business? Yes () No (X)

Section 2 – Ceded Reinsurance Report – Part A

1. Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?
Yes () No (X)
2. Does the Company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts which, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies? Yes () No (X)

Section 3 – Ceded Reinsurance Report – Part B

1. What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for non-payment of premiums or other similar credits that are reflected in Section 2 above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate \$0.
2. Have any agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts which were in-force or which had existing reserves established by the Company as of the effective date of the agreement? Yes () No (X)

Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. & B. The Company does not issue retrospective rated contracts

Change in Incurred Claims and Claim Adjustment Expense

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years have decreased by approximately \$4.9 million from December 31, 2006 to December 31, 2007 as a result of reestimation of unpaid claims and claim adjustment expense. This decrease is generally the result of ongoing analysis of recent loss reserve trends. Original estimates are adjusted as additional information becomes known regarding individual claims.

(26) Inter-company Pooling Arrangements

The Company was not a party to any intercompany pooling arrangements whereby the pool participants cede substantially all of their direct and assumed business to the pool and therefore will not affect the solvency and integrity of the insurer’s reserves.

(27) Structured Settlements

The Company has not participated in structured settlements in 2007 or 2006.

(28) Health Care Receivables

- A. Pharmaceutical Rebate Receivables – Not applicable
B. Risk Sharing Receivables – Not applicable

(29) Participating Policies

The Company does not issue any participating policies.

(30) Premium Deficiency Reserves

As of December 31, 2007 and 2006, the Company had liabilities of \$0 and \$0 related to premium deficiency reserves.

(31) Anticipated Salvage and Subrogation

The Company does not anticipate salvage and subrogation recoverables.

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	44,031,294	54.762	44,031,294	54.762
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies		0.000		0.000
1.22 Issued by U.S. government sponsored agencies		0.000		0.000
1.3 Foreign government (including Canada, excluding mortgaged-backed securities)		0.000		0.000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations		0.000		0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations		0.000		0.000
1.43 Revenue and assessment obligations		0.000		0.000
1.44 Industrial development and similar obligations		0.000		0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA		0.000		0.000
1.512 Issued or guaranteed by FNMA and FHLMC		0.000		0.000
1.513 All other		0.000		0.000
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA		0.000		0.000
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521		0.000		0.000
1.523 All other		0.000		0.000
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)		0.000		0.000
2.2 Unaffiliated foreign securities		0.000		0.000
2.3 Affiliated securities		0.000		0.000
3. Equity interests:				
3.1 Investments in mutual funds		0.000		0.000
3.2 Preferred stocks:				
3.21 Affiliated		0.000		0.000
3.22 Unaffiliated		0.000		0.000
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated		0.000		0.000
3.32 Unaffiliated		0.000		0.000
3.4 Other equity securities:				
3.41 Affiliated		0.000		0.000
3.42 Unaffiliated		0.000		0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated		0.000		0.000
3.52 Unaffiliated		0.000		0.000
4. Mortgage loans:				
4.1 Construction and land development		0.000		0.000
4.2 Agricultural		0.000		0.000
4.3 Single family residential properties		0.000		0.000
4.4 Multifamily residential properties		0.000		0.000
4.5 Commercial loans		0.000		0.000
4.6 Mezzanine real estate loans		0.000		0.000
5. Real estate investments:				
5.1 Property occupied by the company		0.000	0	0.000
5.2 Property held for the production of income (including \$of property acquired in satisfaction of debt)		0.000	0	0.000
5.3 Property held for sale (including \$ property acquired in satisfaction of debt)		0.000	0	0.000
6. Contract loans		0.000	0	0.000
7. Receivables for securities		0.000	0	0.000
8. Cash, cash equivalents and short-term investments	36,372,825	45.238	36,372,825	45.238
9. Other invested assets		0.000		0.000
10. Total invested assets	80,404,119	100.000	80,404,119	100.000

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes [X] No []
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [X] No [] NA []
- 1.3

State Regulating?.....

MI
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [] No [X]
- 2.2

If yes, date of change:
- 3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2004
- 3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2004
- 3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

06/07/2006
- 3.4

By what department or departments? State of Michigan Office of Financial and Insurance Services
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11

sales of new business?

Yes [] No [X]
- 4.12

renewals?

Yes [] No [X]
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21

sales of new business?

Yes [] No [X]
- 4.22

renewals?

Yes [] No [X]
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [] No [X]
- 5.2

If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....
.....
.....
.....

- 6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [] No [X]
- 6.2

If yes, give full information
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [] No [X]
- 7.2

If yes,
- 7.21

State the percentage of foreign control;
- 7.22

State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney in fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity
.....
.....
.....
.....

GENERAL INTERROGATORIES

- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [] No [X]
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [X] No []
- 8.4

If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.]

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC
Exante Bank, Inc.	Salt Lake City, UT				No	

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Deloitte & Touche, LLP, 1700 Market St, Philadelphia, PA 19105.
10.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Jed L. Linfield, Director or Actuarial Reserving Services for the entity. 8045 Leesburg Pike, Suite 600, Vienna VA 22182.
- 11.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [] No [X]

11.11

Name of real estate holding company

11.12

Number of parcels involved

11.13

Total book/adjusted carrying value

\$
- 11.2

If yes, provide explanation
12.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1

What changes have been made during the year in the United States Manager or the United States Trustees of the reporting entity?
- 12.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [] No []
- 12.3

Have there been any changes made to any of the trust indentures during the year?

Yes [] No []
- 12.4

If answer to (12.3) is yes, has the domiciliary or entry state approved the changes?

Yes [] No [] NA []
- 13.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [X] No []

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

Compliance with applicable governmental laws, rules and regulations;

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

Accountability for adherence to the code.
- 13.11

If the response to 13.1 is No, please explain:
- 13.2

Has the code of ethics for senior managers been amended?

Yes [] No [X]
- 13.21

If the response to 13.2 is Yes, provide information related to amendment(s).
- 13.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [] No [X]
- 13.31

If the response to 13.3 is Yes, provide the nature of any waiver(s).

BOARD OF DIRECTORS

14.

Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?

Yes [X] No []
15.

Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?

Yes [X] No []
16.

Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or likely to conflict with the official duties of such person?

Yes [X] No []

GENERAL INTERROGATORIES
FINANCIAL

17.

Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes [] No [X]

18.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

18.11

To directors or other officers

\$.....0

18.12

To stockholders not officers

\$.....0

18.13

Trustees, supreme or grand (Fraternal only)

\$.....0

18.2

Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

18.21

To directors or other officers

\$.....0

18.22

To stockholders not officers

\$.....0

18.23

Trustees, supreme or grand (Fraternal only)

\$.....0

19.1

Were any of the assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in this statement?

Yes [] No [X]

19.2

If yes, state the amount thereof at December 31 of the current year:

19.21

Rented from others

\$.....

19.22

Borrowed from others

\$.....

19.23

Leased from others

\$.....

19.24

Other

\$.....

20.1

Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments?

Yes [] No [X]

20.2

If answer is yes:

20.21

Amount paid as losses or risk adjustment

\$.....

20.22

Amount paid as expenses

\$.....

20.23

Other amounts paid

\$.....

21.1

Does the reporting entity report any amounts due from the parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [] No [X]

21.2

If yes, indicated any amounts receivable from parent included in the Page 2 amount:

\$.....

INVESTMENT

22.1

Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date?

Yes [X] No []

22.2

If no, give full and complete information relating thereto:

23.1

Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1)

Yes [] No [X]

23.2

If yes, state the amount thereof at December 31 of the current year:

23.21

Loaned to others

\$.....

23.22

Subject to repurchase agreements

\$.....

23.23

Subject to reverse repurchase agreements

\$.....

23.24

Subject to dollar repurchase agreements

\$.....

23.25

Subject to reverse dollar repurchase agreements

\$.....

23.26

Pledged as collateral

\$.....

23.27

Placed under option agreements

\$.....

23.28

Letter stock or other securities restricted as to sale

\$.....

23.29

On deposit with state or other regulatory body

\$.....1,013,522

23.291

Other

\$.....

23.3

For category (23.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount

24.1

Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes [] No [X]

24.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement.

Yes [] No [] NA [X]

25.1

Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes [] No [X]

25.2

If yes, state the amount thereof at December 31 of the current year:

\$.....

GENERAL INTERROGATORIES

26. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, G - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [] No []

26.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

<div>1</div> <div>Name of Custodian(s)</div>	<div>2</div> <div>Custodian's Address</div>
State Street Bank.....	801 Pennsylvania, Kansas City , MO 64105.....

26.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

<div>1</div> <div>Name(s)</div>	<div>2</div> <div>Location(s)</div>	<div>2</div> <div>Complete Explanation(s)</div>

26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year? Yes [X] No []

26.04 If yes, give full and complete information relating thereto:

<div>1</div> <div>Old Custodian</div>	<div>2</div> <div>New Custodian</div>	<div>3</div> <div>Date of Change</div>	<div>4</div> <div>Reason</div>
N/A.....	State Street Bank.....	..03/01/2007..	Automation.....

26.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

<div>1</div> <div>Central Registration Depository Number(s)</div>	<div>2</div> <div>Name</div>	<div>2</div> <div>Address</div>
106595.....	Wellington Management.....	75 State Street, Boston, MA 02109.....

27.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?..... Yes [] No [X]

27.2 If yes, complete the following schedule:

<div>1</div> <div>CUSIP #</div>	<div>2</div> <div>Name of Mutual Fund</div>	<div>3</div> <div>Book/Adjusted Carrying Value</div>
.....
.....
27.2999	TOTAL	0

27.3 For each mutual fund listed in the table above, complete the following schedule:

<div>1</div> <div>Name of Mutual Fund (from above table)</div>	<div>2</div> <div>Name of Significant Holding Of the Mutual Fund</div>	<div>3</div> <div>Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding</div>	<div>4</div> <div>Date of Valuation</div>
.....
.....

GENERAL INTERROGATORIES

28. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-) or Fair Value over Statement (+)
28.1 Bonds.....	84,680,419	85,148,243	467,824
28.2 Preferred stocks.....	0	0	0
28.3 Totals	84,680,419	85,148,243	467,824

28.4 Describe the sources or methods utilized in determining fair values:

For those securities that had prices in the NAIC SVO ISIS datatbase, those prices were used; for those securities that did not have prices in the NAIC SVO ISIS database, GAAP pricing was used. GAAP pricing was obtained from HUB which is an external source.....

29.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? Yes [X] No []

29.2 If no, list the exceptions:

OTHER

30.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?.....\$0

30.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....
.....
.....

31.1 Amount of payments for legal expenses, if any?.....\$0

31.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
.....
.....
.....

32.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?.....\$0

32.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....
.....
.....

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [] No [X]

1.2 If yes, indicate premium earned on U. S. business only

\$0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$0

1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$0

1.5 Indicate total incurred claims on all Medicare Supplement insurance.

\$0

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$0

1.62 Total incurred claims \$0

1.63 Number of covered lives0

All years prior to most current three years:

1.64 Total premium earned \$0

1.65 Total incurred claims \$0

1.66 Number of covered lives0

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$0

1.72 Total incurred claims \$0

1.73 Number of covered lives0

All years prior to most current three years:

1.74 Total premium earned \$0

1.75 Total incurred claims \$0

1.76 Number of covered lives0

2. Health Test:

1

Current Year

2

Prior Year

2.1 Premium Numerator

\$440,431,912

\$278,748,824

2.2 Premium Denominator

\$440,431,912

\$278,748,824

2.3 Premium Ratio (2.1/2.2)

.....1.000

.....1.000

2.4 Reserve Numerator

\$0

\$0

2.5 Reserve Denominator

\$38,672,401

\$26,581,927

2.6 Reserve Ratio (2.4/2.5)

.....0.000

.....0.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes [] No [X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes [X] No []

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes [] No [X]

5.1 Does the reporting entity have stop-loss reinsurance?

Yes [X] No []

5.2 If no, explain:

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical \$0

5.32 Medical Only \$0

5.33 Medicare Supplement \$0

5.34 Dental \$0

5.35 Other Limited Benefit Plan \$0

5.36 Other \$0

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

Hold harmless clauses in provider agreements and continuation of coverage endorsements in reinsurance agreement.

7.1 Does the reporting entity set up its claim liability for provider services on a service date base?

Yes [X] No []

7.2 If no, give details:

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year5,408

8.2 Number of providers at end of reporting year5,377

9.1 Does the reporting entity have business subject to premium rate guarantees?

Yes [] No [X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months0

9.22 Business with rate guarantees over 36 months0

GENERAL INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contract?

Yes [X] No []

10.2 If yes:

10.21 Maximum amount payable bonuses

\$.....0

10.22 Amount actually paid for year bonuses

\$.....0

10.23 Maximum amount payable withholds

\$.....498,434

10.24 Amount actually paid for year withholds

\$.....0

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

Yes [] No [X]

11.13 An Individual Practice Association (IPA), or,

Yes [] No [X]

11.14 A Mixed Model (combination of above) ?

Yes [] No [X]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

Yes [X] No []

11.3 If yes, show the name of the state requiring such net worth.

Michigan

11.4 If yes, show the amount required.

\$.....17,200,054

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes [] No [X]

11.6 If the amount is calculated, show the calculation.

Authorized Control level RBC

12. List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
Berrien County, MI.....
Branch County, MI.....
Calhoun County, MI.....
Cass County, MI.....
Hillsdale County, MI.....
Huron County, MI.....
Jackson County, MI.....
Kalamazoo County, MI.....
Lenawee County, MI.....
Livingston County, MI.....
Maccomb County, MI.....
Oakland County, MI.....
Saginaw County, MI.....
Sanilac County, MI.....
St. Clair County, MI.....
St. Joseph County, MI.....
Tuscoloa County, MI.....
Van Buren County, MI.....
Wayne County, MI.....

FIVE-YEAR HISTORICAL DATA

	1 2007	2 2006	3 2005	4 2004	5 2003
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26)	84,701,494	71,333,966	52,420,479	75,438,353	31,194,695
2. Total liabilities (Page 3, Line 22)	42,723,268	35,958,408	20,222,355	35,409,883	25,096,178
3. Statutory surplus	41,978,226	17,762,258	434,635	(5,735,019)	(13,055,722)
4. Total capital and surplus (Page 3, Line 31)	41,978,226	35,375,558	32,198,124	40,028,470	6,098,517
Income Statement (Page 4)					
5. Total revenues (Line 8)	413,965,012	261,943,980	235,741,232	197,998,066	178,727,686
6. Total medical and hospital expenses (Line 18)	367,281,129	229,458,279	198,361,172	164,434,699	149,754,864
7. Claims adjustment expenses (Line 20)	5,927,861	5,582,735	5,036,990	3,861,152	4,129,000
8. Total administrative expenses (Line 21)	35,408,122	27,473,782	25,691,235	21,672,651	14,340,699
9. Net underwriting gain (loss) (Line 24)	5,347,900	(570,815)	6,651,835	8,029,565	10,503,123
10. Net investment gain (loss) (Line 27)	3,637,618	2,976,262	1,614,639	554,733	104,827
11. Total other income (Lines 28 plus 29)	0	0	0	0	0
12. Net income (loss) (Line 32)	6,949,976	1,391,290	5,777,080	6,220,299	10,414,712
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	15,224,463	18,185,429			
Risk - Based Capital Analysis					
14. Total adjusted capital	41,978,226	35,375,558	32,198,124	40,028,470	6,098,517
15. Authorized control level risk-based capital	17,200,054	8,881,129	7,661,685	6,171,848	5,543,704
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	160,502	142,619	108,034	107,564	96,299
17. Total member months (Column 6, Line 7)	1,852,913	1,447,116	1,296,040	1,205,712	1,153,051
Operating Percentage (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus 19)	83.4	82.3	79.1	0.0	0.0
20. Cost containment expenses	1.0	1.4	1.4	1.2	xxx
21. Other claims adjustment expenses	0.3	0.6	0.6	0.7	0.0
22. Total underwriting deductions (Line 23)	92.8	94.2	91.3	90.3	90.4
23. Total underwriting gain (loss) (Line 24)	1.2	(0.2)	2.7	3.8	5.6
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	21,630,155	15,364,980	15,868,742	18,584,500	15,636,768
25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)]	26,581,927	19,120,845	20,766,800	20,331,786	18,593,735
Investments In Parent, Subsidiaries And Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 25, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 39, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 53, Col. 1)	0				
29. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 7)	0				
30. Affiliated mortgage loans on real estate		0	0	0	0
31. All other affiliated		0	0	0	0
32. Total of above Lines 26 to 31	0	0	0	0	0

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year					
Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS Governments (Including all obligations guaranteed by governments)	1. United States	3,685,473	3,754,857	3,696,271	3,675,000
	2. Canada	0	0	0	0
	3. Other Countries	0	0	0	0
	4. Totals	3,685,473	3,754,857	3,696,271	3,675,000
States, Territories and Possessions (Direct and guaranteed)	5. United States	1,037,488	1,046,910	1,040,660	1,000,000
	6. Canada	0	0	0	0
	7. Other Countries	0	0	0	0
	8. Totals	1,037,488	1,046,910	1,040,660	1,000,000
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States.....	5,570,603	5,630,497	5,588,996	5,250,000
	10. Canada.....	0	0	0	0
	11. Other Countries	0	0	0	0
	12. Totals	5,570,603	5,630,497	5,588,996	5,250,000
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States	22,627,273	22,832,516	22,709,492	21,761,581
	14. Canada	0	0	0	0
	15. Other Countries	0	0	0	0
	16. Totals	22,627,273	22,832,516	22,709,492	21,761,581
Public Utilities (unaffiliated)	17. United States	305,047	304,353	305,063	305,000
	18. Canada	0	0	0	0
	19. Other Countries	0	0	0	0
	20. Totals	305,047	304,353	305,063	305,000
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States	10,398,150	10,521,571	10,395,681	10,482,765
	22. Canada	0	0	0	0
	23. Other Countries	407,261	408,414	407,362	400,000
	24. Totals	10,805,411	10,929,985	10,803,043	10,882,765
Parent, Subsidiaries and Affiliates	25. Totals	0	0	0	0
	26. Total Bonds	44,031,294	44,499,118	44,143,525	42,874,346
PREFERRED STOCKS Public Utilities (unaffiliated)	27. United States	0	0	0	
	28. Canada	0	0	0	
	29. Other Countries	0	0	0	
	30. Totals	0	0	0	
Banks, Trust and Insurance Companies (unaffiliated)	31. United States	0	0	0	
	32. Canada	0	0	0	
	33. Other Countries	0	0	0	
	34. Totals	0	0	0	
Industrial and Miscellaneous (unaffiliated)	35. United States	0	0	0	
	36. Canada	0	0	0	
	37. Other Countries	0	0	0	
	38. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	39. Totals	0	0	0	
	40. Total Preferred Stocks	0	0	0	
COMMON STOCKS Public Utilities (unaffiliated)	41. United States	0	0	0	
	42. Canada	0	0	0	
	43. Other Countries	0	0	0	
	44. Totals	0	0	0	
Banks, Trust and Insurance Companies (unaffiliated)	45. United States	0	0	0	
	46. Canada	0	0	0	
	47. Other Countries	0	0	0	
	48. Totals	0	0	0	
Industrial and Miscellaneous (unaffiliated)	49. United States	0	0	0	
	50. Canada	0	0	0	
	51. Other Countries	0	0	0	
	52. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	53. Totals	0	0	0	
	54. Total Common Stocks	0	0	0	
	55. Total Stocks	0	0	0	
	56. Total Bonds and Stocks	44,031,294	44,499,118	44,143,525	

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book/adjusted carrying value of bonds and stocks, prior year.....	1,021,327	7. Amortization of premium.....	123,505
2. Cost of bonds and stocks acquired, Column 7, Part 3	43,679,916	8. Foreign Exchange Adjustment:	
3. Accrual of discount.....	9,208	8.1 Column 15, Part 1	0
4. Increase (decrease) by adjustment:.....		8.2 Column 19, Part 2, Sec. 1.....	0
4.1 Columns 12 - 14, Part 1.....	0	8.3 Column 16, Part 2, Sec. 2	0
4.2 Columns 15 - 17, Part 2, Sec. 1.....	0	8.4 Column 15, Part 4	0
4.3 Column 15, Part 2, Sec. 2.....	0		
4.4 Columns 11 - 13, Part 4	0	9. Book/adjusted carrying value at end of current period	44,031,294
5. Total gain (loss), Column 19, Part 4	0	10. Total valuation allowance	
6. Deduct consideration for bonds and stocks disposed of		11. Subtotal (Lines 9 plus 10)	44,031,294
Column 7, Part 4	555,652	12. Total nonadmitted amounts	
		13. Statement value of bonds and stocks, current period	44,031,294

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

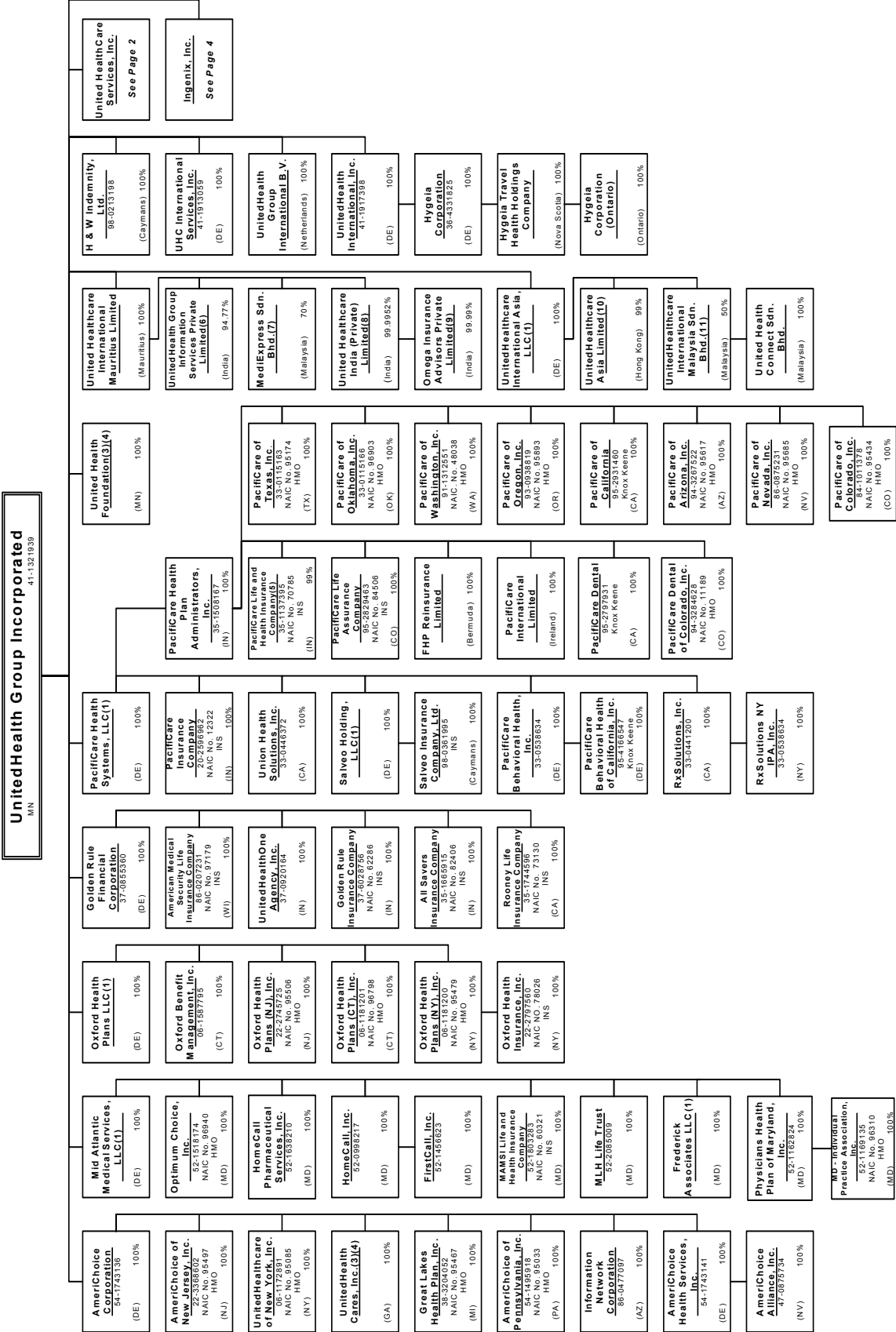
Allocated by States and Territories

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
States, Etc.		Is Insurer Licensed (Yes or No)	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefit Program Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama	AL	No							.0	.0
2. Alaska	AK	No							.0	.0
3. Arizona	AZ	No							.0	.0
4. Arkansas	AR	No							.0	.0
5. California	CA	No							.0	.0
6. Colorado	CO	No							.0	.0
7. Connecticut	CT	No							.0	.0
8. Delaware	DE	No							.0	.0
9. District of Columbia	DC	No							.0	.0
10. Florida	FL	No							.0	.0
11. Georgia	GA	No							.0	.0
12. Hawaii	HI	No							.0	.0
13. Idaho	ID	No							.0	.0
14. Illinois	IL	No							.0	.0
15. Indiana	IN	No							.0	.0
16. Iowa	IA	No							.0	.0
17. Kansas	KS	No							.0	.0
18. Kentucky	KY	No							.0	.0
19. Louisiana	LA	No							.0	.0
20. Maine	ME	No							.0	.0
21. Maryland	MD	No							.0	.0
22. Massachusetts	MA	No							.0	.0
23. Michigan	MI	Yes			441,633,977				441,633,977	.0
24. Minnesota	MN	No							.0	.0
25. Mississippi	MS	No							.0	.0
26. Missouri	MO	No							.0	.0
27. Montana	MT	No							.0	.0
28. Nebraska	NE	No							.0	.0
29. Nevada	NV	No							.0	.0
30. New Hampshire	NH	No							.0	.0
31. New Jersey	NJ	No							.0	.0
32. New Mexico	NM	No							.0	.0
33. New York	NY	No							.0	.0
34. North Carolina	NC	No							.0	.0
35. North Dakota	ND	No							.0	.0
36. Ohio	OH	No							.0	.0
37. Oklahoma	OK	No							.0	.0
38. Oregon	OR	No							.0	.0
39. Pennsylvania	PA	No							.0	.0
40. Rhode Island	RI	No							.0	.0
41. South Carolina	SC	No							.0	.0
42. South Dakota	SD	No							.0	.0
43. Tennessee	TN	No							.0	.0
44. Texas	TX	No							.0	.0
45. Utah	UT	No							.0	.0
46. Vermont	VT	No							.0	.0
47. Virginia	VA	No							.0	.0
48. Washington	WA	No							.0	.0
49. West Virginia	WV	No							.0	.0
50. Wisconsin	WI	No							.0	.0
51. Wyoming	WY	No							.0	.0
52. American Samoa	AS	No							.0	.0
53. Guam	GU	No							.0	.0
54. Puerto Rico	PR	No							.0	.0
55. U.S. Virgin Islands	VI	No							.0	.0
56. Northern Mariana Islands	MP	No							.0	.0
57. Canada	CN	No							.0	.0
58. Aggregate Other Alien	OT	XXX	.0	.0	.0	.0	.0	.0	.0	.0
59. Subtotal	XXX		.0	.0	441,633,977	.0	.0	.0	441,633,977	.0
60. Reporting entity contributions for Employee Benefit Plans	XXX								.0	
61. Total (Direct Business)	(a) 1		0	0	441,633,977	0	0	0	441,633,977	0
DETAILS OF WRITE-INS										
5801.	XXX									
5802.	XXX									
5803.	XXX									
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX		.0	.0	.0	.0	.0	.0	.0	
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX		0	0	0	0	0	0	0	

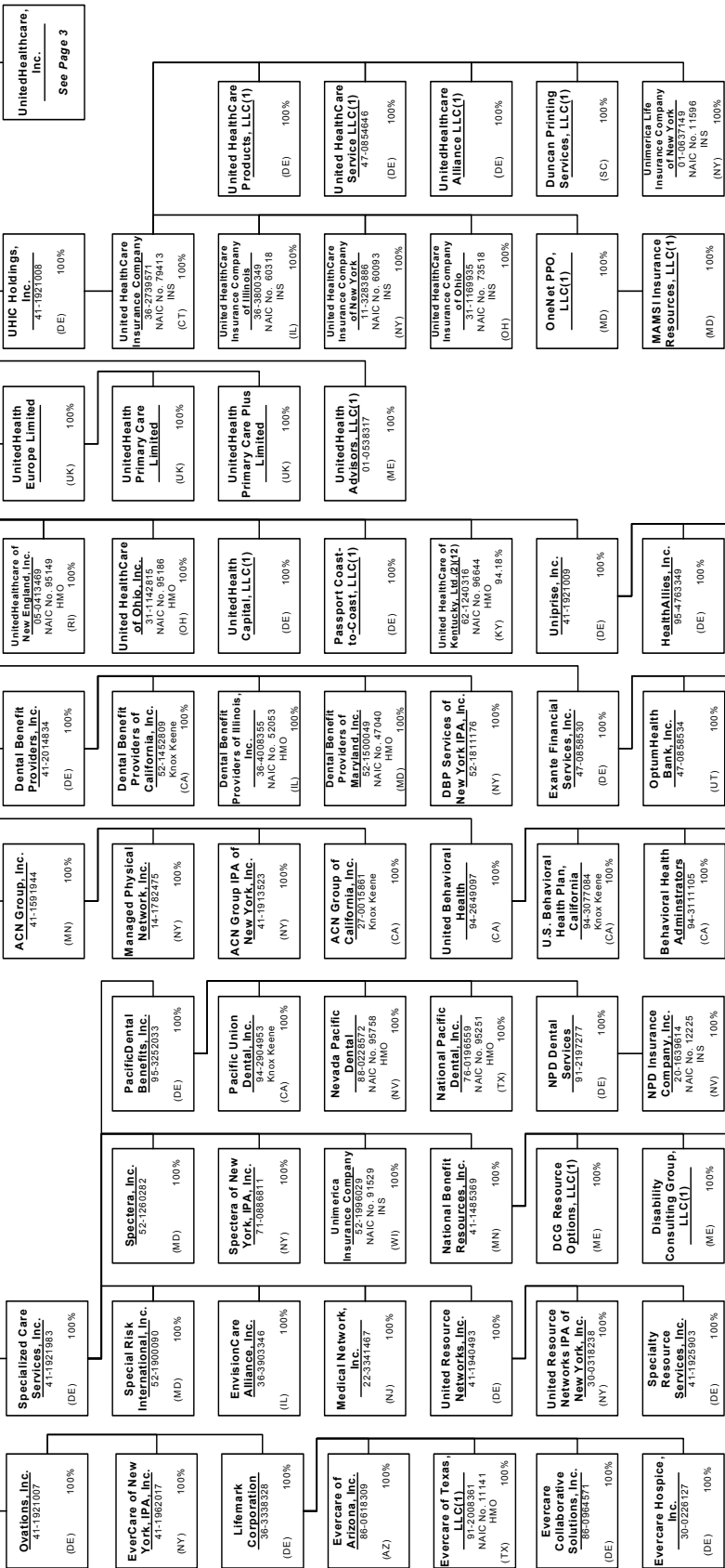
(a) Insert the number of yes responses except for Canada and other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

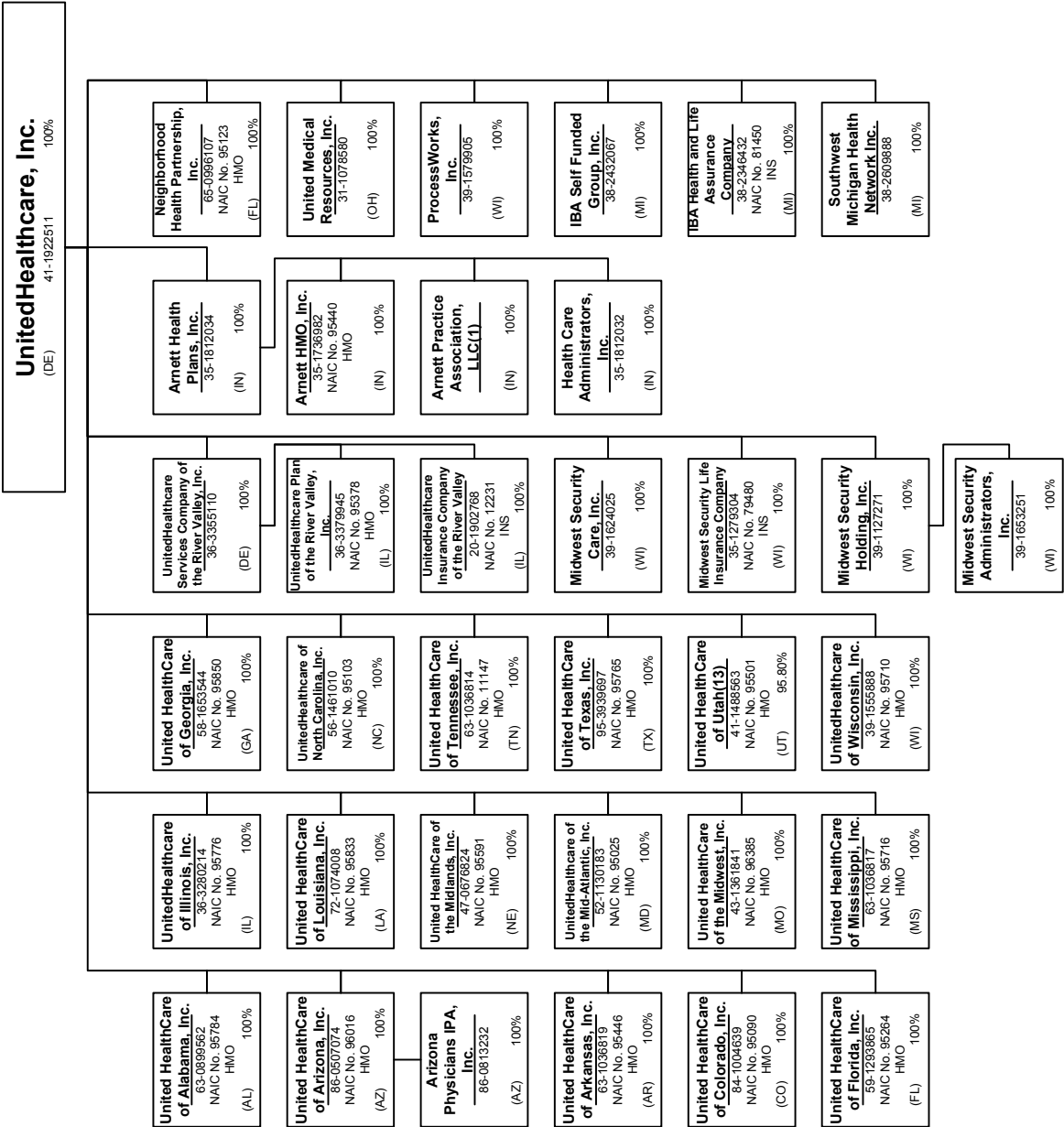


PART 1 - ORGANIZATIONAL CHART



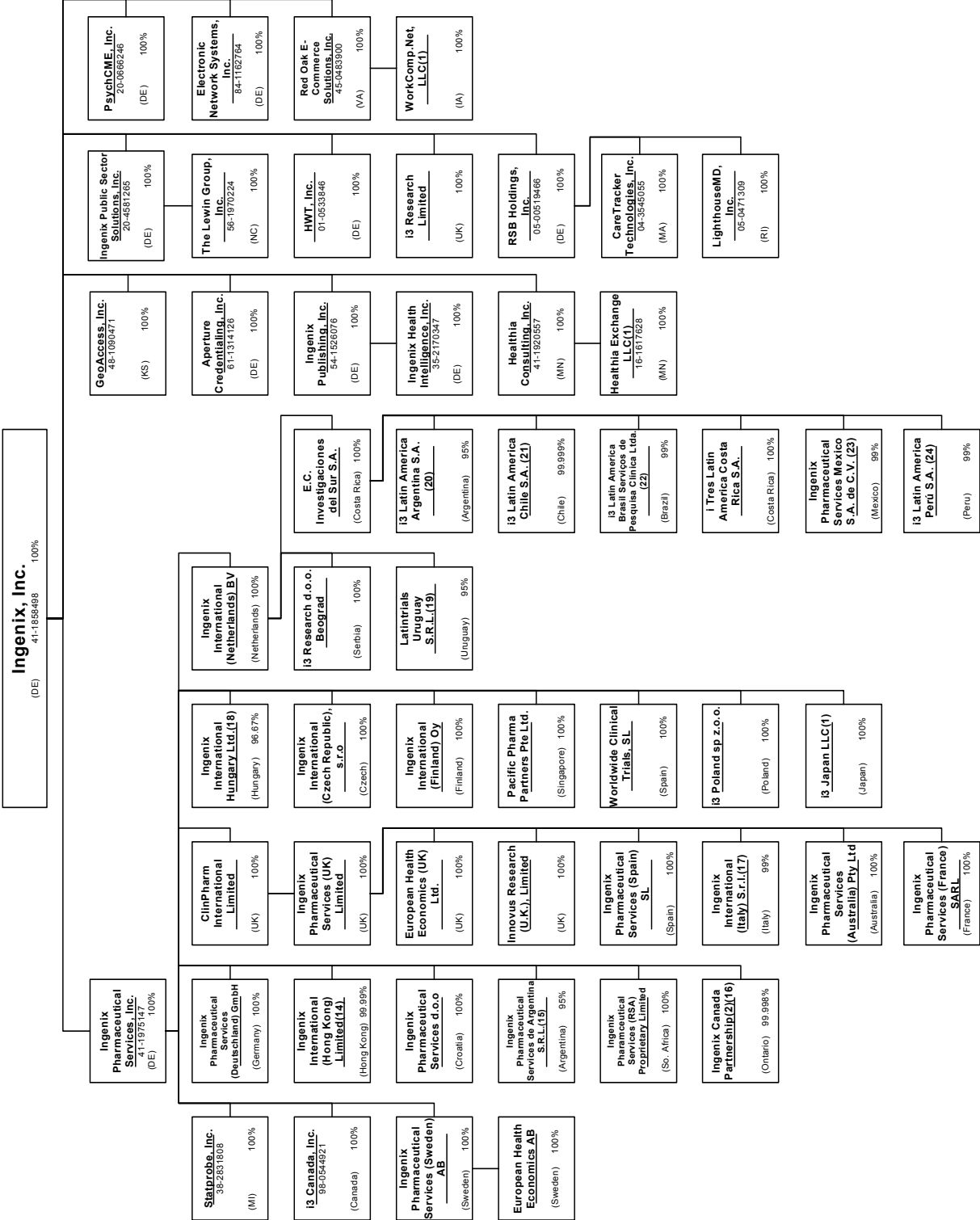
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

Notes

All legal entities on the Organization Chart are Corporations unless otherwise indicated.

- (1) Entity is a Limited Liability Company
- (2) Entity is a Partnership
- (3) Entity is a Non-Profit Corporation
- (4) Control of the Foundation is based on sole membership, not the ownership of voting securities
- (5) PacificCare Life and Health Insurance Company is 99% owned by PacificCare Health Plan Administrators, Inc. and 1% owned by PacificCare Health Systems, LLC
- (6) UnitedHealth Group Information Services Private Limited is 94.77% owned by United Healthcare International Mauritius Limited and 5.15% owned by United HealthCare Services, Inc.. The remaining 0.09% is owned by UnitedHealth International, Inc.
- (7) MediExpress Sdn. Bhd is 70% owned United Healthcare International Mauritius Limited and 30% owned by individual nominee shareholders from whom United has powers of attorney
- (8) United Healthcare India (Private) Limited is 99.9952% owned by United Healthcare International Mauritius Limited and 0.0048% owned by UnitedHealth International, Inc.
- (9) Omega Insurance Advisors Private Limited is 99.99% owned by United Healthcare India (Private) Limited and 0.01% owned by Sudesh S. Shetty
- (10) UnitedHealthcare Asia Limited is 99% owned by UnitedHealthcare International Asia, LLC and 1% owned by UnitedHealth International, Inc.
- (11) UnitedHealthcare International Malaysia Sdn. Bhd. is 50% owned by UnitedHealthcare International Asia, LLC and 50% owned by UnitedHealthcare Asia Limited
- (12) General partnership interests are held by United HealthCare Services, Inc. (89.77%) and by UnitedHealthcare, Inc. (10.23%). United HealthCare Services, Inc. also holds 100% of the limited partnership interests. When combining general and limited partner interests, United HealthCare Services, Inc. owns 94.18% and UnitedHealthcare, Inc. owns 5.83%
- (13) United HealthCare of Utah is 95.80% owned by UnitedHealthcare, Inc. and 4.20% owned by 34 physicians / physician groups
- (14) Ingenix International (Hong Kong) Limited is 99.99% owned by Ingenix Pharmaceutical Services, Inc. and 0.01% owned by Ingenix, Inc.
- (15) Ingenix Pharmaceutical Services de Argentina S.R.L is 95% owned by Ingenix Pharmaceutical Services, Inc. and 5% owned by Ingenix, Inc.
- (16) Ingenix Canada Partnership is 99.998% owned by Ingenix Pharmaceutical Services, Inc. and 0.002% owned by Ingenix, Inc.
- (17) Ingenix International (Italy) S.r.l. is 95% owned by Ingenix Pharmaceutical Services (UK) Limited and 1% owned by ClinPharm International Limited
- (18) Ingenix International Hungary Ltd.is 96.67% owned by Ingenix Pharmaceutical Services, Inc. and 3.33% owned by Ingenix, Inc.
- (19) Latinrials Uruguay S.R.L. is 95% owned by Ingenix International (Netherlands) BV and 5% owned by Ingenix Pharmaceutical Services, Inc.
- (20) i3 Latin America Argentina S.A. is 95% owned by E.C. Investigaciones del Sur S.A. and 5% owned by i Tres Latin America Costa Rica S.A.

- (21) i3 Latin America Chile S.A. is 99.999% owned by E.C. Investigaciones del Sur S.A. and 0.001% owned by i Tres Latin America Costa Rica S.A.
- (22) i3 Latin America Brasil Serviços de Pesquisa Clínica Ltda. is 99% owned by E.C. Investigaciones del Sur S.A. and 1% owned by i Tres Latin America Costa Rica S.A.
- (23) Ingenix Pharmaceutical Services Mexico S.A. de C.V. is 99% owned by E.C. Investigaciones del Sur S.A. and 1% owned by i3 Latin America Argentina S.A.
- (24) i3 Latin America Peru S.A. is 99% owned by E.C. Investigaciones del Sur S.A. and 1% owned by i3 Latin America Argentina S.A.

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(http://www.naic.org/committees_e_app_blanks.htm)

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